

Message Text

CONFIDENTIAL

PAGE 01 STATE 237352

44

ORIGIN AF-18

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 OC-06 CCO-00 OMB-01 TRSE-00

OCL-00 /136 R

DRAFTED BY DOD/SAFGC:DFEDWARDS:JR

APPROVED BY AF/E:WBCOOTE

AF/E:BCROGERS

OSD/GC-MR. HERO

DSAA - MR. DEHENNEY

L/AF-MR. SPIEGEL

OSD/DISA-COL. STEPP

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R 042207Z DEC 73

FM SECSTATE WASHDC

TO AMEMBASSY ADDIS ABABA

INFO AMCONSUL ASMARA

C O N F I D E N T I A L STATE 237352

E.O. 11652: GDS

TAGS: MARR, ET

SUBJECT: LANDING/PARKING/NAVIGATION FEES IN ETHIOPIA

REFERENCES: (A) ADDIS 12398

(B) ADDIS 9796

(C) STATE 210345

(D) STATE 144339

1. IN RENEWED EFFORT TO CONCLUDE THIS MATTER AS
EXPEDITIOUSLY AS POSSIBLE, WE ARE OUTLINING IN THIS
MESSAGE OUR PRESENT POSITION, WHICH TAKES INTO ACCOUNT
EMBASSY'S COMMENTS REF A AND THE EFFECTS OF THE KAGNEW
PHASE-DOWN. REQUEST EMBASSY DISCUSS THE ELEMENTS WITH
ALL INTERESTED IEG OFFICIALS, AND, IF THEY WILL AGREE
IN PRINCIPLE, WE WILL FORWARD THE TEXT OF THE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 237352

UNILATERAL NOTE.

2. LANDING/PARKING FEES COMPUTATION. WE ANTICIPATE THAT THE CAA ADMINISTRATOR WILL SEEK TO AMEND HIS PROPOSAL REPORTED REF B (I.E., ALL FLIGHTS EXEMPT AT ADDIS BUT CHARGED AT ASMARA) SINCE THE KAGNEW PHASE-DOWN, AND THE CONSEQUENTIAL DECLINE IN THE NUMBER OF NON-MAAG FLIGHTS INTO ASMARA, WILL EFFECT AN IMBALANCE IN THE HERETOFORE EQUAL RATIO THAT WAS THE BASIC ASSUMPTION OF HIS PROPOSAL. THE MORE STABLE AND LOGICAL APPROACH IS

SIMPLY TO CHARGE NON-MAAG FLIGHTS INTO BOTH AIRPORTS LANDING AND PARKING FEES AT RATES NO LESS FAVORABLE THAN THOSE PAID BY OTHER STATE AIRCRAFT USING THE FIELD, AND TO EXEMPT MAAG FLIGHTS INTO BOTH.

3. NAVIGATION FEES COMPUTATION. IN VIEW OF EMBASSY'S EVALUATION IN REF A, PARA 1, WE PROPOSE TO CHARACTERIZE THE FEE AS ONE FOR THE ACTUAL BURDENS ON IEG AIR TRAFFIC CONTROL FACILITIES BY NON-MAAG FLIGHTS, A CHARGE WHICH IN NO CASE WOULD BE GREATER THAN THAT IMPOSED ON OTHER STATE AIRCRAFT. WE HOPE THIS WILL SATISFY THE CAA THAT THE USG WILL IN FACT PAY THE SAME STANDARD RATE CHARGED OTHER STATE AIRCRAFT AT ADDIS AND ASMARA. FOR THE SAKE OF CONSISTENCY AND FOR THE SAME REASONS STATED IN PARA 2, WE PROPOSE THAT IT BE ASSESSED INDIVIDUALLY ON EACH NON-MAAG FLIGHT REGARDLESS OF THE AIRPORT USED.

4. PAYMENT OF FEES. AS A RESULT OF EMBASSY COMMENTS PARA 2, REF A, IT IS NOW APPARENT THAT THE CAA ADMINISTRATOR'S PROPOSAL (PARA 2 REF B) DID NOT CONTEMPLATE AN EXPRESS PROVISION THAT THE PAYMENT OF LANDING/PARKING/NAVIGATION FEES BY USG WOULD BE CONTINGENT UPON IEG PAYMENT OF MAAG SUPPORT COST BILLINGS. INDEED, AS CLARIFIED, THE PROPOSAL WOULD PLACE THE USG IN THE ANOMALOUS POSITION OF ELIMINATING IN GOOD FAITH A RELATIVELY SMALL DEBT AND THEREAFTER PAYING FEES IN CASH ON A CURRENT BASIS WITHOUT ANY PROVISION TO ELIMINATE ENTIRELY BY MUTUAL PAYMENT, OR EVEN PARTIALLY BY UNILATERAL REDUCTION OF FUTURE BILLINGS IN AN AMOUNT EQUAL TO OUR DEBT, THE MUCH LARGER MAAG

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 237352

SUPPORT DEBT OWED BY THE IEG. BY HIS COMMENTS AND ADVICE, IT IS APPARENT THAT EVEN THE CAA ADMINISTRATOR RECOGNIZES THE INEQUITY INHERENT IN HIS PROPOSAL.

A. WE BELIEVE THAT, IN SPITE OF THE CAA ADMINISTRATOR'S INTENTIONS, EMBASSY SHOULD PRESENT OUR PROPOSAL OUTLINED REF D, AS REFLECTING HIS COMMENTS INCLUDING HE ASPECT OF MUTUAL AND CONTINGENT PAYMENT.

FYI. IF IT ACHIEVES NO OTHER RESULT, PERHAPS IT WILL CONVINCE THE INTERESTED IEG OFFICIALS OF HOW CONCESSIVE OUR ORIGINAL PROPOSAL (REF D, PARA 2) REALLY IS. END
FYI. AS STATED REF C, PARA 3, THE ESSENTIAL ELEMENTS OF THE PLAN WOULD BE AS FOLLOWS: (1) THE REDUCTION OF MAAG SUPPORT COST BILLINGS WOULD BE LIMITED TO EQUAL ANNUAL DEDUCTIONS OF ONLY PAST DUE LANDING/PARKING/ NAVIGATION FEES FROM OUR BILLINGS OVER THE NEXT TWO YEARS. AFTER WHICH THE REDUCTION METHOD OF PAYMENT WOULD TERMINATE; (2) THE IEG WOULD ELIMINATE ITS MAAG SUPPORT COST ARREARAGES SIMULTANEOUSLY OVER THE SAME TWO-YEAR

AND THEREAFTER) LANDING/PARKING/NAVIGATION FEES AND

MAAG SUPPORT COSTS WOULD BE PAID CURRENTLY BY EACH GOVERNMENT; AND (4) THE OBLIGATION OF THE USG TO MAKE THE PAYMENTS PRESCRIBED HEREUNDER WOULD BE CONTINGENT UPON THE READINESS OF THE IEG TO PERFORM ITS OWN OBLIGATION.

B. IF THE IEG OFFICIALS ARE UNWILLING TO ACCEPT THIS ARRANGEMENT, EMBASSY SHOULD AGAIN PRESENT OUR ORIGINAL PROPOSAL STATED IN REF D. ALTHOUGH THAT PROPOSAL DOES NOT REPRESENT THE BEST OF ALL POSSIBLE WORLDS FROM OUR VIEWPOINT, IT IS ACCEPTABLE BECAUSE IT DOES NOT INVOLVE THE DIRECT PAYMENT OF CONTESTED FEES. IF THE CAA ADMINISTRATOR CONTINUES TO OBJECT ON THE GROUNDS THAT THIS PROCEDURE COMPLICATES INTERNAL IEG FINANCIAL PROCESSES AND RESULTS IN UNBALANCED BOOKS FOR THE CAA, EMBASSY MAY REMIND HIM THAT THE FAILURE OF THE IEG TO ELIMINATE ITS DEBT NOT ONLY CAUSES SIMILAR PROBLEMS IN THE US BUT INCREASES CONGRESSIONAL INTEREST.
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 237352

5. WE APPRECIATE EMBASSY'S EFFORTS IN THIS MATTER, WHICH WE HOPE CAN END SOON. IN LIGHT OF OUR CONCESSION ON THE ISSUE OF NAVIGATION FEES, WE EXPECT SOME FLEXIBILITY IN RETURN FROM THE CAA ADMINISTRATOR. KISSINGER

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